



Indiana University

FY 2021-23 Biennial Budget Request

Indiana Commission for Higher Education

President Michael McRobbie

November 18, 2020

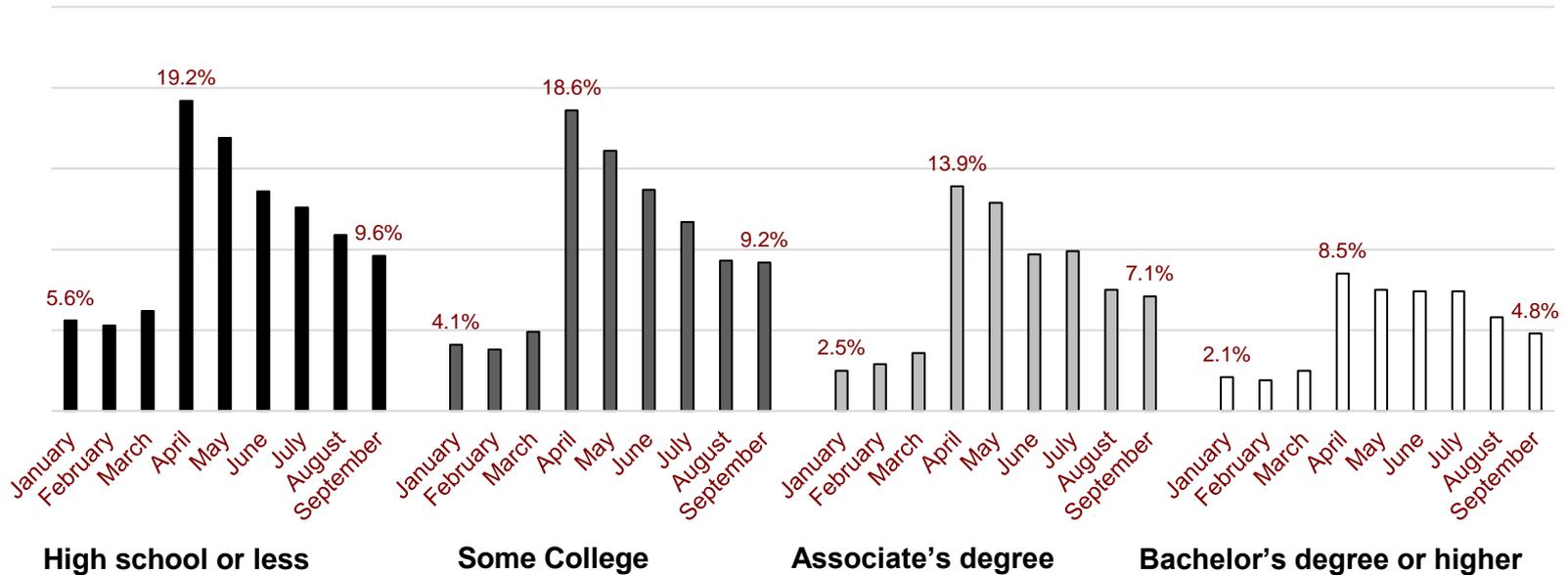
1. Significance of Higher Education in Today's World
2. IU Poised to Propel All Hoosiers Forward
3. Statewide Economic Impact
4. 2021 Operating Budget
5. Biennial Budget Request
6. Strengthening Indiana's Fight Against COVID-19



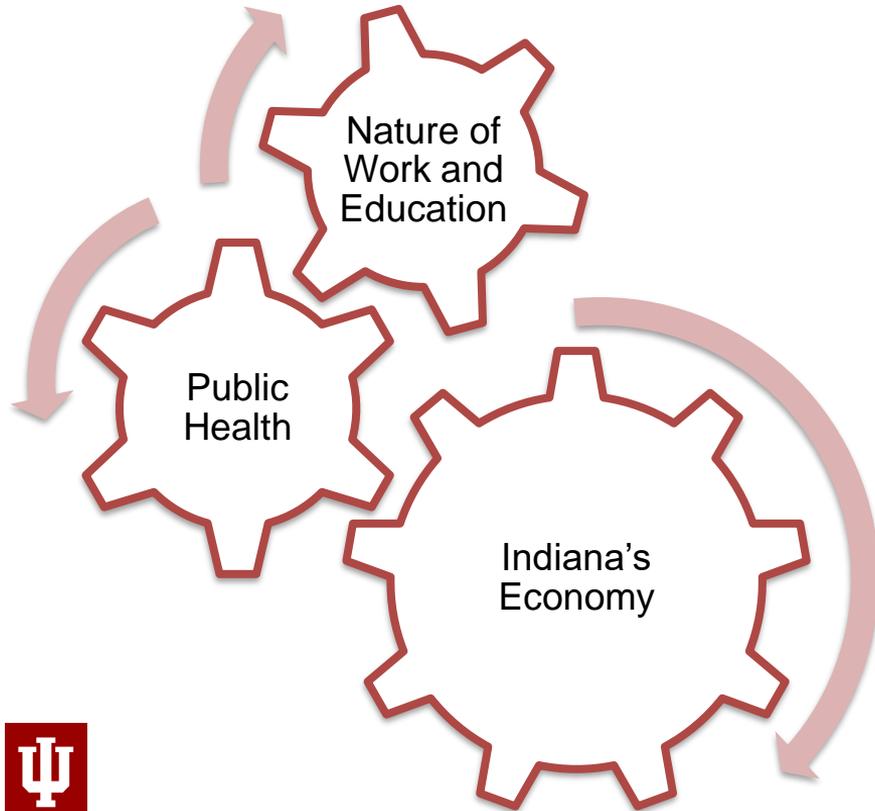
Education's Influence on Unemployment

- At peak unemployment in April, 20% of workers without a college degree were unemployed compared to only 8.5% with at least a 4-year degree.

**Percent Unemployed
January-September 2020**



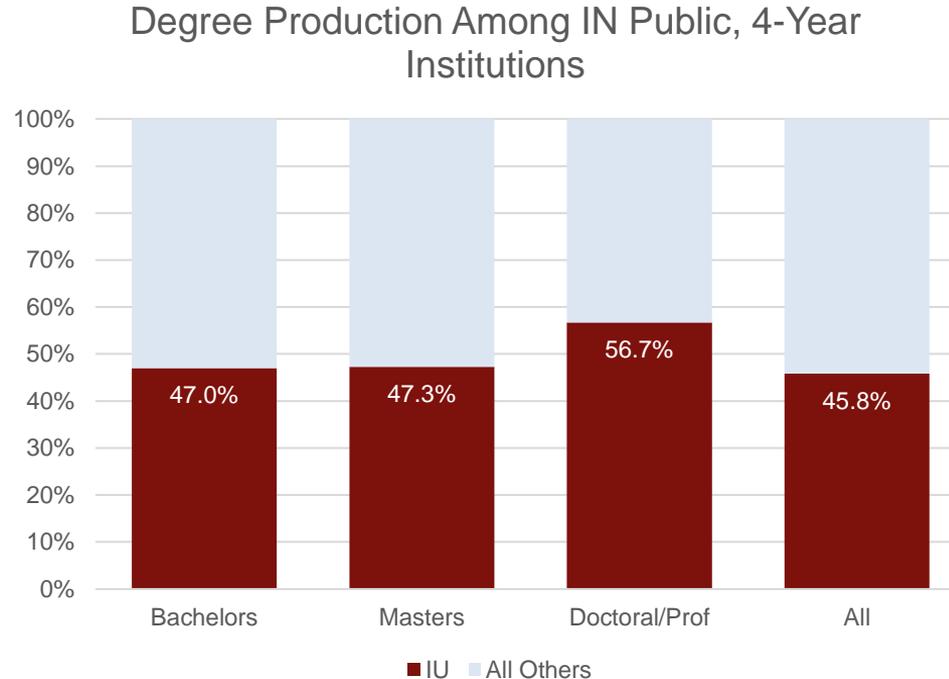
Indiana University Poised to Propel All Hoosiers Forward



- 80% of in-demand jobs in Indiana require some level of college education.
- The largest job losses have been seen in the leisure and hospitality, wholesale and retail, and manufacturing industries—industries where a college education is required less often and jobs are nearly impossible to do remotely.

IU a Leader in Degrees Awarded

- In FY 2020, IU produced 22,334 degrees, which is a 25% increase since FY 2010.



Preparing Students for Future Success

Affordability

- **Annual student loan borrowing dropped by \$140.6 million (21.6%) over the past eight years.**
- Undergraduate student gift aid has increased by 51.1% over the past eight years totaling \$132.7 million in 2019-2020.

Student Success

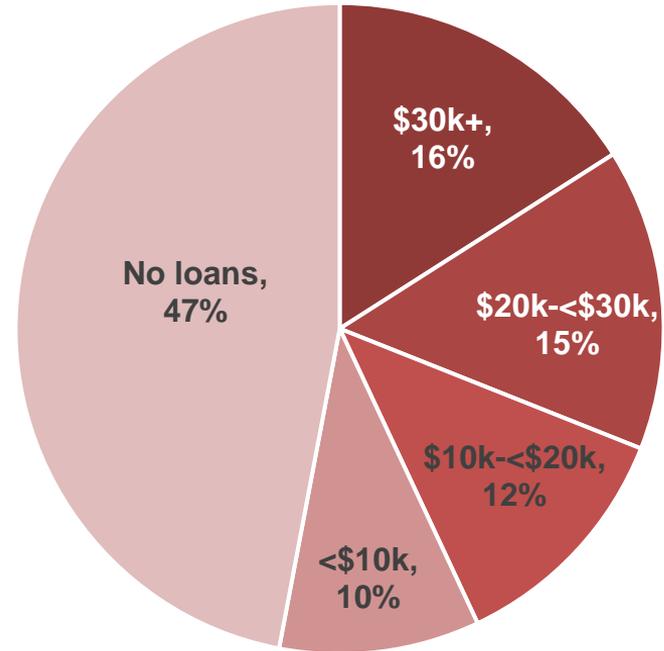
- In FY 2019, **the career outcome (those who found employment or entered graduate or professional school) rate of IU was 93% for students** who received an undergraduate degree.
- Of the students who responded to the career outcomes survey as accepting employment, **83% secured employment in their field of study.**



Affordability Focus: Decreasing Student Loan Debt

- 47% of bachelor's degree graduates have no student loan debt **while 84% have student loan debt less than \$30,000 or no debt.**
- Average debt for IU graduates has decreased from \$28,801 to \$26,617 (-8%) since FY 2014.
 - At the regional campuses, average student loan debt is as low as \$23,929.
- Based on average earnings and average debt of IU bachelor's recipients with full-time jobs, monthly debt payments are 6.9% of monthly income, which is less than the generally accepted rule of 10%.

IU Bachelor Completers by Levels of Cumulative Debt



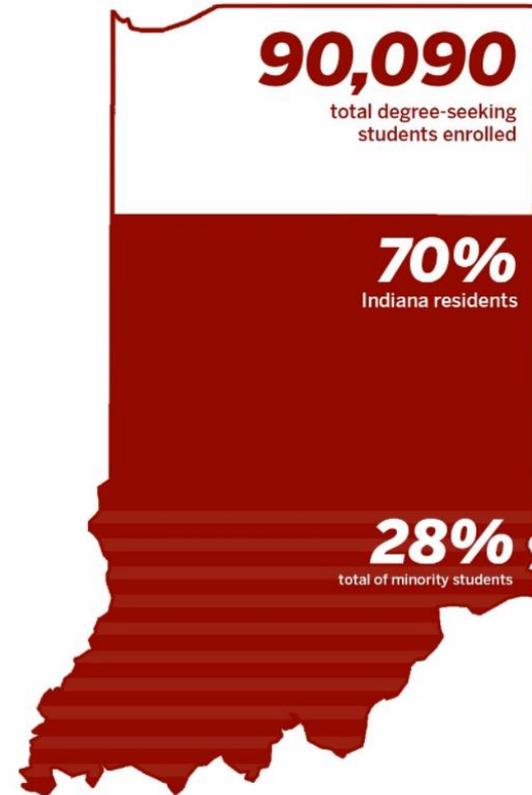
Focusing on Equity and Diversity

Student Diversity

- Between 2005 and 2020, domestic minority student enrollment increased by 110.7%.
- IU's percentage of minority students exceeds the State's minority population percentage.
- Of all Indiana's public institutions, IU has the largest number of minority students.

Pell Students and 21st Century Scholars

- IU has seen a 32% increase in 21st Century Scholar recipients since FY 2015.
- Across all IU campuses, on-time completion rates over a 5-year period are up, and on-time completion has increased anywhere from 8.4% to 28.3%.
- IU has 6,000 (or 56%) more Pell students than the entire Ivy League.



Statewide Economic Impact of Indiana University

Economic Impacts Created by IU in FY 2018-19

- IU created \$9.9 billion in added income for Indiana in FY 2018-19.
- One out of every 26 jobs in Indiana is supported by the activities of IU and its students.
- For every \$1.00 students invest in their education at IU, they will receive \$3.50 in higher future earnings.



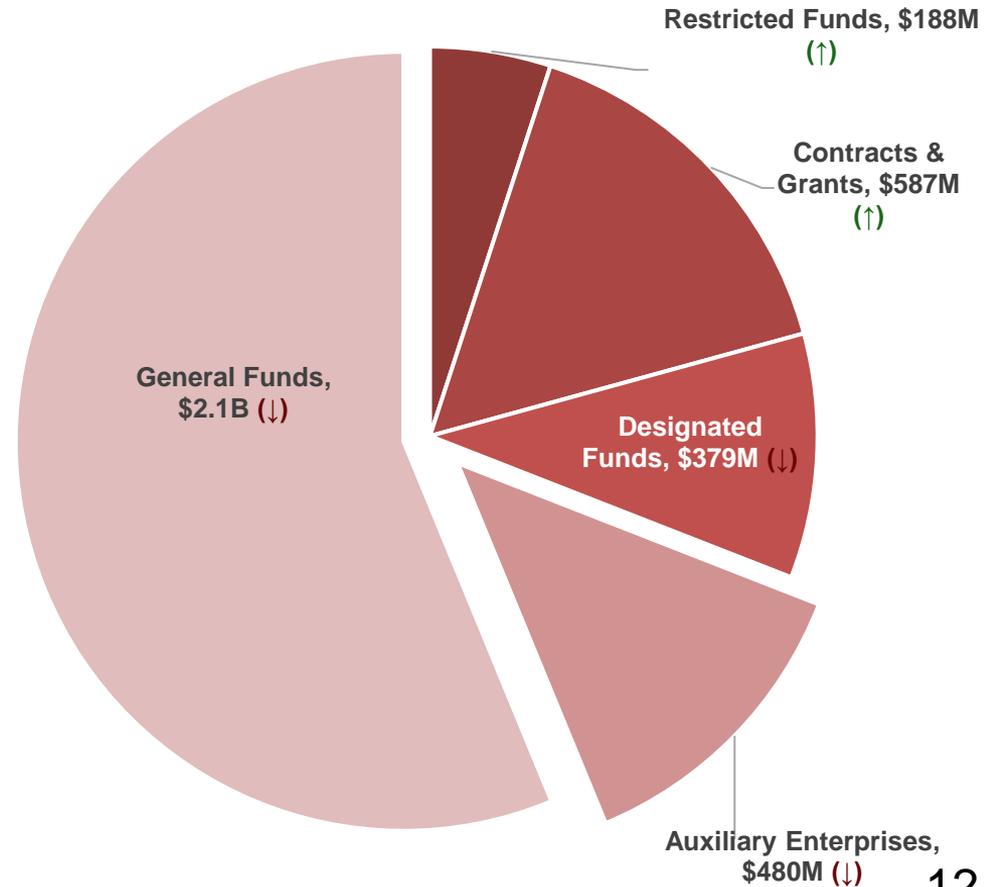
Source: The Economic Value of Indiana University by Emsi: Labor Market Analytics, an affiliate of the Strada Education Network



IU's FY 2021 Budget

FY 2021 Operating Budget

- IU's FY 2021 total budget is \$3.75 billion
- Total General Fund expense reductions for FY2021 exceeded targets by \$14M for a **\$94M total reduction** (travel, supplies, vacant positions, etc.)
- **Planned increases in Financial Aid and Research funding of \$16M and \$35M, respectively**
- Estimating \$50-62M in COVID-related expenses



2021-2023 Biennial Budget Request

Biennial Request: Operating Funds

Performance Funding Summary Model - 2021-23

	BL	IUPUI	EA	KO	NW	SB	SE
Overall Degree Completion							
Bachelor's Degree	-15	329	76	44	31	1	5
Master's Degree	51	6	1	-2	-22	14	-5
Doctoral Degree	-12	-9	0	0	0	0	0
STEM Degree Completion							
Bachelor's Degree	8	206	6	-5	10	0	1
Master's Degree	4	4	3	0	0	-3	0
Doctoral Degree	-2	7	0	0	0	0	0
At Risk	-6	-39	6	-11	8	-33	-33
At-Risk, On-Time	5.9%	11.0%	9.0%	4.8%	8.2%	5.7%	5.9%
At-Risk Composite Value**	74	159	16	11	22	23	19
On-Time***	262	393	36	35	49	58	47
Student Persistence***	30		0	23	42	25	-15
	60		30	32	43	76	68
	90		31	39	53	65	61

← Performance Funding Formula: Outcome Success

** New Composite Value adds the overall, At-Risk degree completers with the Per Unit Value of At-Risk, On-Time recipients

*** Per Unit Value - Change in 3-year rate x latest average 3-year cohort size

Performance Funding Formula: Applicability →

	FY 2021	FY 2022	FY 2022 v. FY 2021	FY 2023	FY 2023 v. FY 2021
IUB	\$ 201,961,310	\$ 198,792,613	-\$ 3,168,697	\$ 198,963,262	-\$ 2,998,048
IUE	\$ 14,047,315	\$ 15,046,488	\$ 999,173	\$ 15,042,806	\$ 995,491
IUK	\$ 16,059,485	\$ 16,529,044	\$ 469,559	\$ 16,526,274	\$ 466,789
IUNW	\$ 18,870,523	\$ 19,611,923	\$ 741,400	\$ 19,608,262	\$ 737,739
IUPUI: GA	\$ 111,103,662	\$ 122,147,442	\$ 11,043,780	\$ 122,111,603	\$ 11,007,941
IUSB	\$ 24,873,721	\$ 25,270,365	\$ 396,644	\$ 25,266,782	\$ 393,061
IUSE	\$ 20,890,749	\$ 21,184,805	\$ 294,056	\$ 21,181,879	\$ 291,130
IU SOMD	\$ 122,238,873	\$ 122,238,873	\$ 0	\$ 122,238,873	\$ 0
IUFW	\$ 4,971,250	\$ 4,971,250	\$ 0	\$ 4,971,250	\$ 0
	\$ 535,016,888	\$ 545,792,803	\$ 10,775,915	\$ 545,910,991	\$ 10,894,103



Biennial Request: Existing Line Items

- Requesting Line Items be held flat at the originally appropriated FY 2021 levels with Dual Credit being the exception.

Special State Line Item	FY21 Appropriation	7% Reduction	FY21 Adjusted Appropriation	FY22 Appropriation Request	FY23 Appropriation Request
Global Network Operations Center	\$ 721,861	\$ (50,530)	\$ 671,331	\$ 721,861	\$ 721,861
Clinical and Translational Science Institute	\$ 2,500,000	\$ (175,000)	\$ 2,325,000	\$ 2,500,000	\$ 2,500,000
Dual Credit: Indiana University System	\$ 2,698,429	\$ (188,890)	\$ 2,509,539	\$ 4,726,350	\$ 4,726,350
Geological Survey	\$ 2,783,782	\$ (194,865)	\$ 2,588,917	\$ 2,783,782	\$ 2,783,782
I-Light Network Operations	\$ 1,508,628	\$ (105,604)	\$ 1,403,024	\$ 1,508,628	\$ 1,508,628
Indiana GigaPoP	\$ 672,562	\$ (47,079)	\$ 625,483	\$ 672,562	\$ 672,562
Institute for the Study of Developmental Disabilities	\$ 2,491,824	\$ (174,428)	\$ 2,317,396	\$ 2,491,824	\$ 2,491,824
Spinal Cord and Head Injury Research	\$ 553,429	\$ (38,740)	\$ 514,689	\$ 553,429	\$ 553,429
Total	\$ 13,930,515	\$ (975,136)	\$ 12,955,379	\$ 15,958,436	\$ 15,958,436



Biennial Request: Dual Credit

- 2nd largest dual credit provider in the state with national recognition for quality and high standards.
 - Enrolls more than 20,000 students annually
- IU currently supports roughly 25% of the dual credit teachers statewide, which includes:
 - Provision of tuition-free graduate courses;
 - Training and oversight;
 - Curriculum development, etc.
- Requesting that Dual Credit funding of \$50 per credit hour be reinstated.



Biennial Request: Indianapolis Academic Health Center Medical Education and Research Facility

- IU School of Medicine is the largest medical school in the U.S.
- Physicians and scientists at the School of Medicine were awarded \$549 million in research grants and awards in FY 2020.
- Construct a new primary campus for IU School of Medicine in conjunction with planned expansion by IU Health at Methodist Hospital site, creating one of the largest hospital sites in the state of Indiana.
- Requesting \$75 million in state funding for this 350,000 GSF project.
 - Remainder of funding provided by private grants and IU School of Medicine funds for estimated total project cost of \$245 million



Biennial Request: R&R Formula

- Maintain existing academic, research and administrative facilities, 64% of which are 40 years old or more for all campuses (75% for Bloomington campus)
- State formula funding – anticipating and addressing maintenance needs in a long-term plan to stay ahead of needs and eliminate project deferment
 - The appropriation requested based on the formula is \$15.8 million in both FY 2022 and FY 2023



Strengthening Indiana's Fight Against COVID-19

IU's Critical Role in the Global, State and Local Fight Against COVID-19

- Clinical trials for **convalescent therapies** such as plasma and hydroxychloroquine
- **AstraZeneca vaccine Phase III trial** test site and research partner
- **ISDH** partnership with the IU Richard M. Fairbanks School of Public Health at IUPUI
- **OCRA** partnership with the IU Center for Rural Engagement and the IU School of Public Health Bloomington
- **FSSA** partnership with the Indiana Clinical and Translational Sciences Institute's (CTSI) Monon Collaborative at IU
- IU High School shared its curriculum with schools across Indiana to help transition to remote teaching and learning.



Questions?



INDIANA UNIVERSITY